



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESS SCRUTINY COMMITTEE A

Tasmanian Railways Pty Ltd

Tuesday 29 November 2022

MEMBERS

Hon Nick Duigan MLC
Hon Luke Edmunds MLC
Hon Ruth Forrest MLC (Chair)
Hon Mike Gaffney MLC
Hon Dean Harriss MLC
Hon Sarah Lovell MLC (Deputy Chair)

WITNESSES IN ATTENDANCE

Hon. Michael Ferguson MP, Deputy Premier, Treasurer, Minister for Infrastructure and Transport and Minister for Planning (via Webex)

Mr Stephen Cantwell, Chairman

Mr Steven Dietrich, Chief Executive Officer

Mr Neale Tomlin, Corporate Affairs and Strategy Manager

PUBLIC

The committee met at 1.30 p.m.

CHAIR - Welcome back, minister, to the government business scrutiny of TasRail. I invite you to introduce the members of your team who are here in the room with us and to make some opening comments before members have questions for you.

Mr FERGUSON - Thank you, Chair. Good afternoon to the committee and I am pleased to introduce to you, Stephen Cantwell, Chairman of TasRail; together with Stephen Dietrich, Chief Executive Officer and Neale Tomlin, Corporate Affairs and Strategy Manager.

Thanks for the opportunity to provide some brief opening remarks. The business's rail, logistics, freight, terminal and ship loading operations are critical for the state's manufacturers, our heavy industries, as well as freight-forwarders so they can reach their export markets safely and efficiently. Despite challenges in some markets in 2021-22, we saw TasRail deliver its second highest rail tonnage and ship loading volumes on record. TasRail operates more than 100 rail services per week for its bulk container and forestry customers. To put that into context, TasRail transported just under 3 million tonnes of freight last financial year. Working with the mining sector TasRail loads 650 000 tonnes of bulk minerals from the port of Burnie - just a single shipment below the record set in 2014.

The Government recognises the critical role of rail logistics in the Tasmanian economy and, along with the Australian Government, has set about a record and sustained network investment program. TasRail is successfully delivering tranches 2 and 3 of the Tasmanian Freight Rail Revitalisation Program, including contract execution with Tasmanian firm, COVA Haywards, to design and construct the new minerals ship loader at the port of Burnie. The contract was executed in August last year. Work commenced immediately and I was pleased to join with the new federal Minister for Infrastructure, the honourable Catherine King, to tour Crisp Bros & Hayward's Launceston facility in August to view the major construction underway. Building on the success of the capital program, the Tasmanian and Australian governments have committed to three new rail projects, totally \$168 million in value. I am pleased to inform the committee that the Australian Government, prior to the election and since, has recognised the importance of that investment and has funded those projects on an 80/20 basis, which is really very good for Tasmania.

While I know that TasRail has its hands full servicing industry and delivering a record capital program, I am also pleased that our team was able to find the time to support our important tourist and heritage railways. Noting that we are just concluding the 150 Years of Rail celebrations, last year TasRail donated six locos of historical significance to groups including Don River, Derwent Valley and Launceston and north-east railways. To remove the financial and logistical burden of safely transporting these locomotives, TasRail covered the cost of the cranes, heavy haulage trucks and project management.

So, thank you to the committee for the opportunity to make those introductory remarks and I'll pass to the chairman, Stephen Cantwell, for his own brief opening comments.

CHAIR - Thanks, minister.

Mr CANTWELL - Thanks, Deputy Premier and good afternoon committee. Just noting the premium on time for questions, I will just provide one observation on one segment of the TasRail business. This relates to the statistic in our 2021-22 Annual Report that 98.9 per cent

of our six daily intermodal services met their planned freightability target - meaning, our customer's freight was available to be unloaded at the agreed time. 98.9 per cent freightability is a remarkable performance and one any freight rail organisation would be very proud of. However, the strategic collaboration required to deliver that result should not be underestimated. It takes a sustained commitment over time to network infrastructure investment from the Tasmanian and the Australian governments; an effective partnership between TasRail and the civil contractors that deliver the Network Renewable Program, which has been on foot now for a number of years; importantly, a motivated and disciplined TasRail team; and great relationships with our manufacturing, forestry and freight-forwarding customers who access our six daily services on the north-south corridor. It is a remarkable result, and one that certainly would be the envy of any of the main line railways. It is the outcome of multiple sectors of the economy and government all pulling in one direction. Thank you, Chair and committee, for providing us with the opportunity to make these introductory remarks.

CHAIR - Thank you, before we go to the questions on border freight task and those sorts of things, I would like to go to the financials and read a bit and by way of introduction to the question, I am going to ask you a little bit. The financials themselves are pretty straightforward, TasRail basically breaks even on the operating cash flow basis as per your cash flow statement, page 43. Capital expenditure uploads of \$65 million needed for capital contributions - the minister referred to this - which we accept \$30 million came from the General Government, \$33 million from the federal government, an additional \$4.2 million was provided by the General Government and that was used to help repay TASCORP \$4.2 million, leaving TasRail free of borrowings.

Depreciation of \$7.5 million would have produced a loss of \$4 million, but the below line CAPEX at \$46 million was immediately written off, making the loss for the year \$50 million. Basically, this is the pattern each year the below line CAPEX does not have any enduring value, so anything that is spent is immediately written off.

In terms of the casual read of the financials, one can perhaps understand and perhaps scratch their heads a little to understand this. Basically, TasRail makes losses each year roughly equivalent to the below line CAPEX, which is immediately written off. This means TasRail is completely dependent on new equity each year, but nowhere is there a clear statement about where TasRail is headed, in terms of the revenue, the capital need, future capital expenditure, et cetera and in many ways, it could just be like another government department.

The losses do not bother me, that is the nature of the business TasRail is in. Mostly, TasRail could do more to promote what it does and the record you have just described in your opening comments. You talked about the amount of tonnage that has been transported on TasRail and the efficiency with which that has been done. Are you aware, were there any works done to estimate the costs that would be if that extra 500 million tonnes were transported by road rather than rail? I am trying to get an understanding of the actual value here that is perhaps, not actually evident in your financial report.

Mr CANTWELL - A good way to respond might be to share some metrics in terms of market share and so forth. In Tasmania, 70 per cent of the contestable intermodal freight market is on rail. On the Midland Highway, what that translates to is about an avoidance of 180 000 B-double truck movements a year. If you are driving a mid-sized passenger vehicle

between Hobart and Launceston, you do not have to weave in and amongst 180 000 B-double trucks to find your way north or south as the case may be.

The circumstance you described where each year after the investment, from what we call the IOP program - followed by a not immaterial asset impairment - is not uncommon across all the Australian rail networks with low volume freight networks. It is the high-volume mineral and coal networks that are sustainable in their own right and indeed, it is a phenomenon across the world. What is different is the accounting treatment of the contributions variously made by governments to the below rail infrastructure.

Here in Tasmania, the model used is that the contributions come from the government and to conform with the accounting standards at the end of each year, the assets are impaired and written down to their market value. On the mainland and in Queensland, for example, there is a commercial framework in place where the government not only provides the operating and investment capital to top up the difference between the revenue that can be collected from the train operations and the cost of maintaining the capital and operating the system with a commercial contract, which includes the cost plus a notional return on assets. The government business enterprise then returns the return and depreciation component back to government as a dividend. It is a purer commercial model but it is circular.

The point to make is that it is a common characteristic of government policy, certainly across the Australian jurisdictions, that there is - for want of a better description - a renewal capital subsidy and an ongoing operating subsidy that relates to the below rail infrastructure. As to your question about the long term and the sustainability of the business, the proposition that TasRail puts forward is that there will always be a requirement for what we call a BRIC - a below rail infrastructure contribution - from government. This is akin to the contributions that are made to the road infrastructure. Our objective is to make the above rail business at least break-even and in the longer term, be in a position where it can renew the capital required to undertake the business.

That has been a fairly long journey since 2009 when TasRail in its current form was established. Over that period, the freight volume has been built back to 70 per cent of the intermodal market share. There has been significant volume growth in services provided to the forestry business. The third sector leg of the business is the north-west minerals business where TasRail continues to provide services to that sector of the market.

Our corporate plan outlines future plans for further investment in the infrastructure and the services that we provide. I am not sure, Steve, whether there is anything -

Mr DIETRICH - I think you have covered it very well, Stephen. The below-rail function is really an economic asset and it sounds a bit counterintuitive but the bigger the loss, that means more infrastructure investment.

CHAIR - More money being spent.

Mr DIETRICH - When you consider our original infrastructure investment program, IIP tranche 1, tranche 2, tranche 3 were on the basis of a 50-50 split between the Australian Government and Tasmanian Government, so for every dollar the Tasmanian Government put in, the Australian Government invested a dollar. That is great for Tasmania, great for jobs, great for the community.

Tranche 4, which we have just agreed through both the Australian Government and Tasmanian Government budgets, is now on a split of 80-20. For every 80 cents the Australian Government puts in, the Tasmanian Government only has to put in 20 cents. We have that commitment now in place which has seen TasRail in the best position it has ever been in regard to infrastructure capital funding, out to basically 2028-29. We have never had the business in that position before.

In terms of really understanding the performance of the business, it is where we break it up between the above rail and the below rail. There are a lot of benefits of a vertically integrated business, where we can manage the business both from above and below rail to get the best outcomes for the business, customers and all Tasmanians. Our focus on the commerciality of the business is certainly the above rail sector which is driven by volumes. When you mentioned 500 million tonnes, it is actually 500 million net tonne kilometres. We do about three million tonnes per annum, which effectively makes us probably the biggest intrastate state transporter of freight in Tasmania. As Stephen said, that basically is equivalent to 180 000 B-double movements which you can equate to almost 300 movements per day.

CHAIR - In terms of the cost comparison between road and rail, we are spending a lot of money on the roads at the moment, particularly, on the Midland Highway if anyone has driven up there. Also, a lot of it relates to maintenance.

Mr DIETRICH - We did a study about five years ago and we are probably due to do another one. That study suggested the reduced cost of maintenance and trauma on Tasmanian roads that the TasRail business was delivering at that time based on the volumes, was avoiding \$16 million to \$18 million worth of costs.

CHAIR - In maintenance?

Mr DIETRICH - In maintenance and trauma.

Mr GAFFNEY - I am interested in what you said about the dollar for dollar and that it went 80-20. What levers did you pull to be able to get that? Is it part of the national roads freight strategy? What did you do to be able to get that?

Mr CANTWELL - It is part of the Commonwealth contribution to the rail infrastructure. It is not tied to the national road funding mechanism. As a Queenslander visiting Tasmania, I can say to Tasmanians it's down to the good effort of the TasRail team, the relationship that has been developed between the Commonwealth and the demonstration that the money is well spent here in Tasmania. Every time the TasRail folk go back - and there's a very rigorous acquittal process in place between TasRail and the Commonwealth to demonstrate that the money is well spent - to talk to the Commonwealth about more funding, we are able to demonstrate we have done precisely what we have said we had done.

The capital is spent on time, on budget. It is targeted at single points of failure which translates into a safer, more reliable railway. As I said in the opening statement, that's measured with regard to the reliability, the on-time arrival; the removal of speed restrictions from the network, and the reduction of mainline derailments across the network. We are able to demonstrate a curve which shows increasing net tonne kilometres, so our customers are willingly coming to the railway to use the railway as its service levels are improved.

On the same set of axes, we can draw a reduction in derailments, a reduction in speed restrictions across the network and this then is provided to the Commonwealth and gives them the evidence that they need to go forward to say to those who approve and endorse the spending, 'Look, these Tasmanian people are taking this money and spending it wisely, and its translating into sensible economic outcomes for the state'.

Mr GAFFNEY - My follow-up question to that would be, you said this arrangement lasts until the next iteration of the contract, until 2028-29, did you say?

Mr CANTWELL - Yes.

Mr GAFFNEY - And for my benefit and for other members, what might be Queensland's comparative relationship or another state's comparative relationship when you say we are 80-20, what might be the other states, so we have an understanding of how significant it is?

Mr CANTWELL - I would say there probably is not a comparable relationship between the mainland states. I am actually on the Queensland Rail board, and what one typically observes is that mega projects are negotiated. There's a negotiation between the state and Commonwealth and there's an agreed share of contributions, where the states themselves take care of their equivalent contributions, so there isn't an IIP, there isn't that kind of parallel framework in the state. I would say to you, particularly in relation to the regional lines in NSW, Queensland and Victoria, the states would invest comparable amounts of money in the support of their regional networks, possibly more I would say.

You know, as a person who has been involved in the rail sector for a long time in Australia, I often say, it might be politically incorrect, but Tasmania punches well above its weight, in terms of what it is able to achieve. I have the advantage of being able to benchmark the outcomes in other rail environments to what we have here.

Mr FERGUSON - I will jump in if I might as well, Chair, and thanks Mr Gaffney for the question. For the benefit of the committee, I think you will find it useful to know that now in tranches 1, 2 and 3, we are actually exceeding \$353 million of joint state and federal funding. Not all of that, but much of it is 50-50. Then in the federal budget 2021, we were able to get the next set of projects funded on that basis, that 80 per cent federal, 20 per cent Tasmanian government funding that amounts to \$168 million. Taken together, it is very large, over half a billion dollars, for freight rail revitalisation.

While the good work of TasRail has been recognised, also my Department of State Growth has helped to negotiate some of these things at officer level. Ministers also talk about these things and have been reaffirmed by the previous outgoing minister Barnaby Joyce and the incoming minister Catherine King.

CHAIR - We do spend millions of dollars on upgrading our roads as we have alluded to. In terms of the TasRail below rail network as the most important thing, what would TasRail's wish list be for major works to actually make it more reliable and more futureproofed? I am not saying you need to improve your liability, it seems to be pretty good - but the rail is old and there are a number of areas that are still quite tight in the curves and things like that and flood damage that has occurred at various times including the last, probably beyond the end of the financial year this year.

Mr CANTWELL - We have to be mindful that generally, the infrastructure we have is designed to the century-before-last railway technology, so our grades and our curvature are very old. The focus has been on making what we have safer and more reliable and what has won the market share.

As we approach the end of IOP3 and IOP4, the work that has been done to remove single points of failure and improve the reliability of the network, the curve tapers off. We will be approaching the position where we can contemplate curve and grade easings, but the half a billion dollars the Deputy Premier referred to that has been spent on the network, the equivalent amount of money would be consumed very quickly on a small number of projects to ease kerbs and grades. We would be really starting to talk about mega dollars.

You have the choice of spending the money to improve the safety and reliability through the full length of a corridor or spending the money, for example, on the southern end of the corridor from Brighton through to Launceston up towards the Rhyndaston tunnels where there are very severe grades and very severe curves. There is nothing like it in the world left, from a technology standard, and half a billion dollars would not go very far in straightening and flattening that 50 kilometres. That gets us 50 kilometres of the way of the several hundred kilometres between here and Launceston.

Our nirvana, and you asked the question, would be to commence kerb and grade easings. We would look to target any such investment from where the best bang for the buck would come. We would have to look at the north-western mineral province to see if investment in strengthening the track and reducing curvature and grades would be best spent there. I suspect probably it is the northern line as it is our busiest corridor. That would be an ultra-long-term program and we would require generous governments to continue to see the value. The value is certainly there from the world's aspiration around a carbonless future and so forth. Rail has a lot to offer.

CHAIR - Going to the decarbonisation program, you acknowledged that there are not any suitable engines at this stage to put on our tracks. It is interesting that there is a lot of battery-electric underground mining equipment that also requires a lot of power and all those things I do not really understand, not being a mechanic. Things like torque and stuff like that. I do not want to get right out of my depth there, but I was about to step in.

What do you expect that to look like, particularly with the below rail infrastructure that, I would imagine these engines will not be any smaller? Or will they? Because, is it the engines and/or the carriages, or the wagons, that create the challenge on the curves?

Mr CANTWELL - Yes. The less curvature and the less grade, the less horsepower required. If you want to get technical, less adhesion at the rail. The less force at the rail to move.

CHAIR - And that is wear and tear.

Mr CANTWELL - Yes. Well, that is right. When the adhesion - the amount of force asserted at the rail - is greater, if it is steeper and curvier, your rail moves out quicker, wears out more quickly, your maintenance is greater and you require more horsepower to move the load.

In terms of the language we use for the carbonless future, it is 'alternative fuel locomotives'. There has been a lot of work done and we have done a lot of work inside of TasRail looking at the options for the future. They range from battery-electric locomotives through to hydrogen powered locos and in between there are biofuels and all sorts of other variables. We have done detailed research engaging probably the best experts in the world. The conclusion we have come to at the moment is that alternative fuel locomotives become very corridor-specific.

To be quite specific, what we are working towards is a conversion to electric locomotives on the Fingal to Railton to Devonport corridor - the cement haul - because it is grades. These locomotives can regenerate power on the downhill and consume the power on the uphill. It lends itself to that sort of traction. The other technologies, the hydrogen technologies, alternate fuels there, but generally speaking, there is no other technology that on the development curve, would be accessible in a production vehicle in the period between now and 2030. We are well beyond the seven-year sort of development time frame, and actually, we are in no different position in Tasmania to any other railway around the globe. There are hydrogen fuel locos, hydrogen fuel trains operating passenger services in a sort of prototype, not-for-production mode in Europe and so forth, but that equipment is not suitable for deployment in our environment here in Tasmania.

Mr FERGUSON - It would be worth noting in the budget brought down this year, the Government actually allocated \$15 million to TasRail for upgrade of eight of the legacy locomotives. While not the most exciting, outward-looking announcement, it was actually of great significance to TasRail, which specifically sought that funding. That project has commenced and you may care to know more about it with other questions. One of the arguments for overhauling those eight legacy locomotives was to allow TasRail to avoid ordering new diesel locomotives in the meantime and looking at technology that might allow a delay. Sorry, if you would have gone ahead and ordered new diesel locomotives, it would have led to a potential delay in transitioning a zero emissions fleet or lower emissions fleet. That is one of the arguments used in favour of that very exciting project.

Mr CANTWELL - I think, Deputy Premier, that program allows us along the way to pivot to an alternative fuel should that become viable. While we're starting with the first couple of locomotives, conventional diesel-powered locomotives, we do have the option as technology evolves to pivot towards a lower emissions fuel.

CHAIR - You're talking about swapping out the power source rather than changing over the engines, is that what you're saying?

Mr CANTWELL - It's changing over the engine.

CHAIR - The chassis will stay the same but you put in a different -

Mr CANTWELL - The chassis stays the same, new engine. If biofuels become viable, then it is possibly a similar internal combustion-type engine. If hydrogen fuels become available, it will be a variant on that. So, we're monitoring very closely the technology developments as they unfold. There's a lot of effort going into this space, so things may emerge more quickly than one would anticipate and part of our strategy is to maintain the degrees of flexibility that will allow us to pivot quickly should the technology facilitate that.

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CHAIR - With these 17 TR class locomotives that you're extending their life, what sort of life extension of the chassis and the parts that are not the engine do you think this will create? If it's only going to be five years more, then it becomes a bit of a moot point. You're going to have to buy new locomotives anyway.

Mr CANTWELL - The bodies upon which we're renewing these legacy locomotives are more than 50 years old, 50 or 60 years old. A well-maintained superstructure has an almost infinite life, specifically the TRs. They are about eight years old, so they are a very modern locomotive by -

CHAIR - Yes, right. I meant the ones you're updating. Legacy -

Mr CANTWELL - The legacy locos. They're circa 50 years old, the sub-frames and properly maintained they're kind of an infinite life.

CHAIR - So notionally they could continue well into the future with an alternate fuel source if it became available?

Mr CANTWELL - They could, but it may make economic sense if production vehicles become available, more widely available, that the economics switch then away from overhaul and renewal to procurement of new locos. In that way, the way that this program is structured, the investment that's made in modest overhaul and renewal is a no regrets investment.

CHAIR - Okay. I'll go to you, Dean.

Mr HARRISS - I have a question about people. I notice here you've got mental and physical health, are you seeing an increase in the mental side of health? Some areas that - how has your company dealt with that?

Mr DIETRICH - Thank you, Mr Harriss, for the question. It's a very good question and one that's dear to my heart and very important to the business. We have trained, experienced mental health first aiders right throughout the business and we're about to do another cohort of training over the next six months. That's performed through an organisation I sit on the board with, which is the TrackSAFE Foundation board, a national board, which is all about mental health and suicide prevention.

Throughout the business, we promote mental health. For every meeting we have in TasRail, we have a safety value share before we commence the meeting and we're also now including a mental health share. So, safety value or mental health share. We've had people such as SPEAK UP! Stay ChatTY come out and do numerous talks to all our people in all our depots, to look out for the signs. It's okay not to be okay and to look out for the signs of anyone who's maybe not on top of their game or a little quieter than normal, and to look out for depression or anyone who's having a bit of a hard time.

Throughout the business, we also have Rail R U OK? Day. R U OK? Day is a national day but we also have a dedicated one to the rail industry, which is national and we promote that through the business but Rail R U OK? Day is every day in TasRail. We certainly promote it. Mental health is extremely important and it plays a part, even in human factors. You'll notice we've had some LTIs last year. Some of that is the world we live in, uncertainty,

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COVID-19; it has impacted a lot of people. From a mental health perspective within TasRail, it's an essential value of how we operate and how we interact with each other.

Mr CANTWELL - We also have an independent counselling support.

Mr DIETRICH - We also have the Employee Assistance Program (EAP) which is provided to anyone and anyone of our staff members' families as well.

CHAIR - You have 268.9 FTEs. How many actual employees do you have - that is, FTEs?

Mr CANTWELL - We have 270.

CHAIR - So, most of them are full time?

Mr CANTWELL - Yes.

CHAIR - I am not asking you for details, just a high-level number of the number of staff who have accessed the EAP in the last financial year?

Mr DIETRICH - We do have those numbers. Without being a definitive answer, it is in the order of 15 to 20 people who have accessed the EAP throughout last financial year and we've had some more this financial year.

CHAIR - Has that increased over recent times?

Mr DIETRICH - I would suggest so.

CHAIR - You probably don't know the reasons why - I am not suggesting that you should - but have you seen a particular blip during the COVID-19 period?

Mr DIETRICH - Absolutely. It is confidential by nature, in terms of the service that's provided but we do see an increasing percentage towards people accessing it for personal reasons outside of work reasons.

Mr FERGUSON - While I've been minister with responsibility for TasRail as a shareholder minister, I think for four years, I have become aware in that time of the increasing focus by the business on the Circle of Safety principle. These have been increasingly brought to people's notice as well, so it has been an increased focus.

I was recently briefed that in the next staff engagement survey which will happen early next year, there will be a fresh and new focus on staff mental health and wellbeing as well. With better awareness comes the better opportunity for people to feel that they can report or reach out for support. Naturally, no-one at the table is in possession of the EAP information other than, perhaps, some headlines about the number of people who might be using it anonymously coming with that information. I do believe, and I credit the management team here, Chair and Committee, because it has been a very deliberate focus - even my meetings that I have with TasRail start with a safety or value share so it's not just for decoration. It's very much part of the ethos of management and something that I've really strongly supported and really welcomed.

CHAIR - Thank you.

I will go to Sarah and then to Nick and then Mike.

Ms LOVELL - I wanted to follow on from the comment you made about the lost time injury frequency rate, and you mentioned that in the context of talking about mental health.

Do you have a breakdown of the percentage of that rate, the percentage related to physical injury and the percentage that's related to mental health?

Mr CANTWELL - Yes. Last year we had five lost time injuries in TasRail. Our target is zero; and we don't apologise for setting a target of zero for lost time injuries. One of those five lost time injuries was a person in an office environment who pushed down on a coffee plunger and the glass broke and that person's hand was cut. That was a lost time injury.

The other four lost time injuries were all in our infrastructure maintenance area, all but one I think. They were all slip-trip falls, manual stress-type injuries. One person injured themselves while using a sledgehammer. Another person grabbed the rail on a truck that wasn't properly fastened to the truck and fell backwards.

Steve, you will have to help me with the other two.

Mr DIETRICH - We had a rolling stock maintainer on the traverser with the tug that did not quite align the traverser correctly and the tug slipped and fell slightly into a pit and it caused some bruising. The other one was a contractor, the significant level crossing program we have been delivering, the concrete platforms and the surface renewals. The level crossing itself where the traffic crosses is one big concrete slab now. The contractor, for reasons unknown, decided to climb on top of the slab to lash chains from the crane. The concrete slab is covered in plastic to protect the ridges where the rail will ultimately be glued in. He didn't realise there was a ridge there and, inadvertently, his foot went into the plastic and into the ridge and he had a fall.

Ms LOVELL - Further to that, and these might not be reported as lost time injuries; but have you had any reports from locomotive drivers who have had an injury either contributed to or caused by the TR class locomotives and the ergonomics in those engines?

Mr CANTWELL - In the last three years we have had one lost time injury associated with ergonomics in the TR locomotives; and we have had nine instances where we have received reports and we have given drivers time out, off the locomotives to allow a pain or a twinge - we call those a suitable duties response, where we have acted proactively, somebody has reported that they have a twinge in their shoulder or their wrist or somewhere and we have said, 'okay, we will take you off the locomotive roster and you can do other work', typically that is office work or something to give them time out to recover. So, only one lost time injury but we had nine other instances where people have come out of the roster for a short period of time.

Ms LOVELL - Three years ago - was that when this class were introduced?

Mr CANTWELL - No, the TR class locomotives were introduced in 2014, they are about eight years old. By way of context, in the procurement process there was a consultation process with drivers and other drivers and maintainers of the locomotives. At the time, TasRail - I was not part of the organisation - flew several drivers to the US to the Progress rail facility to sit with the designers of the cabs and so forth to sign off on the configuration of the cab. Notwithstanding that, after the cab configuration was signed off and the locomotives were introduced into service there were a number of complaints and soft tissue injuries reported from train drivers.

In 2016, TasRail engaged the services of an ergonomist in response to those complaints and had a full review of the locomotive cab configuration in all 17 of the TR class locomotives. That was immediately followed with the implementation of all recommendations from that process, again involving drivers in a consultative process. That resulted in some modification to the position of the throttle handle but, more importantly, a reinforcement of the notion that physiology of the driver community isn't homogenous. There are many configurable elements within the locomotive cabs -the seat height, position and angle - so that the driver's position can be properly fitted with the controls of the vehicle. A big part of that cab modification process was instructions to the drivers on how to configure the locomotive to suit their shape and size.

We saw, then, over that period, a significant reduction in the number of reports of concerns from drivers. In about 2019, there was a little spike up and our response to that was, 'what can we do to assist the driver community?'. We found that some of them needed to be re-trained, needed a refresher in how to configure the driver stations and so forth. TasRail embarked on a re-training program, producing videos for drivers and so on. Then there was a return down to small numbers. I would say that over the period that the TR locomotives have been in service, so the full eight-year period, there has been a reported concern of this nature, one, in every 475 trips that the locomotives do. So, for every 475 trips the locomotives do, one driver might report a concern with a shoulder, or an elbow -

CHAIR - How does that compare with other locomotives?

Ms LOVELL - Yes, that was going to be my next question. Nine incidences that required time out in the last three years, how does that compare with other locomotive types? Is that a typical number, or is that higher than you have seen in the past?

Mr CANTWELL - You mean other types of locomotive in operation in the TasRail environment?

Ms LOVELL - Yes, either currently in operation, or in operation prior to the TR class?

Mr CANTWELL - Or on the mainland?

Ms LOVELL - Yes.

Mr CANTWELL - In terms of Tasmania, specifically, we're not aware of any concerns raised in relation to the DQs or the 2050s. We should say, though, that 90 per cent of the freight that's moved in Tasmania is moved by TRs. So, the smaller number of - we call them 'legacy locomotives' - they only handle 10 per cent of the services. For the mainland, I can't share specific numbers, but I can share the new MGRs, the new generation rolling stock that has been

introduced into the Brisbane suburban network required a retro-fit of the seat, even though in all jurisdictions there is a cab committee, and we do have on foot, all the time in Tasmania, it is a standing committee in TasRail, our rolling stock committee. Our drivers and other people involved in rolling stock are consulted continually about improvements to the rolling stock. That happens in all of the other rail jurisdictions on the mainland. While I can't quote numbers in terms of incidents being reported by drivers, I can share that there have been similar cab modification programs to what we've seen here in TasRail.

Ms LOVELL - I suppose that's my question. I would assume with any new stock - I'm not an ergonomist, or a train driver, but I assume there are always going to be tweaks and things that need to be made. You don't know how something is going to operate until you're in it, and in it for extended periods of time. The question is really in relation to the TasRail workforce in particular, is this class of locomotive causing problems for drivers that might be able to be remedied or avoided? Is it a problem with this particular class of locomotive, do you think? Is it something to do with the demographic of the workforce? What's at the bottom of this seemingly higher rate of - discomfort, even - being caused?

Mr FERGUSON - If I could speak for a moment and then allow the chair, or the CEO, to continue answering your questions. Can I clarify that I believe, unless I heard incorrectly, a reference to lost time injuries? The advice I have and the gentlemen will clarify, or correct me, there hasn't been a lost time injury on the TR class since 2019-20. In the previous two reporting periods there have not been any lost time injuries reported, but there have been, I think I heard reference to the number nine. My brief shows that we've had nine, or the business had, nine notifications in the last reporting period, but not lost time injuries. To answer your most recent question, would the CEO or the chair clarify or confirm that as well?

Ms LOVELL - To clarify, it is those nine reports that you spoke about earlier, not necessarily lost time injuries.

Mr CANTWELL - To be clear, they are not lost time injuries and as the Deputy Premier said, one lost time injury in the last three years and that was almost three years ago. We are proactive. There is a process for all our employees, but in this case, train drivers, to report to us any concern that they have about any aspect of our operation and we will respond to concerns that are raised. In relation to the nine instances of us providing people with the opportunity who have raised concerns about a niggle to take some time out from the locomotive, so they are not lost time injuries and they are not medical treatment injuries, they are just TasRail, as part of its attitude towards the care of our people, has provided the opportunity to, using our language, 'come off the footplate' for a little while, have a spell and do some other work.

Ms LOVELL - That is a very positive response to those types of things because potentially, a niggle can lead to a lost time injury if it is not addressed. I guess my concern is that something has been done that is about addressing those issues that is a more permanent solution than just taking them out, off the job, into another role for a period of time and putting them back into the same environment, that is going to cause the same problem.

Mr CANTWELL - The sorts of things that we do -and this is a continual process - first of all, is to ensure that all the drivers understand what their options are in terms of configuring the cab. Sometimes, a driver might report that the throttle handle is a bit stiff, that will be immediately inspected and assessed to ensure that it is performing as it should, so that the driver is not required to put more pressure than what an ergonomist would say is appropriate.

In addition to that, there is a routine maintenance regime now, and that has been in place since feedback was first received some eight years ago, where every time the locomotive comes into the shops for its service, all the ergonomic aspects, as well as the oil change and the grease and the sorts of things that you would do on a service are checked; so the human factor dimensions are also checked to ensure that the seat height adjuster is working effectively, and the pressure required to operate the controls is appropriate.

Mr DIETRICH - I might add, Stephen, with the reporting of the incidents, that is not a new person every time; that can be the same person sometimes, over the years. With an ageing workforce, most of our drivers are over 50 years old now, that is a risk for TasRail and we are working on that, about bringing in a new cohort of drivers.

CHAIR - Are they all male?

Mr DIETRICH - All but one. I have the number here somewhere, but we have about four or five female representatives in the rail operator ranks, who will ultimately become train drivers. One is training to become a train driver as well, which is great. However, in the last financial year we had nine notifications which were not just all to do with - it could be knees, arms, neck, shoulders, wrists - which is a sign of a healthy culture, which I think is where you are coming from, Ms Lovell. We promote that, because we do look for opportunities to try to improve the cab layout, we do know there have been concerns raised. We sent a group over to Adelaide with some new locomotives that were delivered to One Rail in Adelaide; a driver; the general manager of assets, and another individual, rolling stock manager, to inspect some of the new locomotives and their cab layouts, to get the learnings of what is being built. They were locomotives built by Progress Rail, which is the same brand we have, which are the TRs. We are certainly investigating that and looking for further opportunities.

We have finished in the last year a video which has actual train drivers who then talk about their experience and how they set themselves up for success. That includes that it is no different to even driving a truck or a car for eight hours, that is a long time.

Ms LOVELL - Or sitting at a desk.

Mr DIETRICH - Yes, eight hours at a desk. These drivers can be driving up to 10 hours and need to have a break, to get up and we are trying to encourage them to do certain exercises to help with setting them up for success so they can go home safe and well. We are very conscious of that.

Mr DUIGAN - Thank you, Chair. This was briefly touched on before by you, Stephen, on the issue of level crossings. Lots of us have seen in recent times vision popping up in various places of frightening incidents happening on our level crossings, some of them appearing to be deliberate in nature. Are you able to tell us a little bit about what you are doing about reportable level crossing incidents over the last year?

Mr FERGUSON - Thank you. I will ask the CEO to assist me. He and I jointly launched a Rail Safety Week not long ago at Western Junction. Unfortunately, we have seen a nearly 5 per cent increase in the number of reported level crossing incidents in the reporting period.

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Train drivers reported a total of 44 incidents in 2021-22 where road users failed to stop or give way at rail level crossings. That is up from 42 in the previous year and a concern. TasRail works closely with the national association, the Australasian Railway Association and also the Track Safe Foundation, to develop and then push out education material to the broader public. It is also about a public messaging piece.

TasRail is running its program of engagement with the community to highlight the importance of that safety and awareness on the rail network. One broadcaster - who shall remain nameless unless they do it again - even promoted footage on their TV station of a person walking on a rail line, which was a very unfortunate incident.

In 2021-22, this engagement included an extended program of radio advertising in high-profile north-west coast areas, school visits and also the establishment of a long-term safety alliance with the Railton Junior and Cadet Fire Brigade. The number of incidents is going up, we want them to go down. Train drivers reported a total of 44 where there were failures to stop and give way. In itself, apart from the safety of the person on the track or the motorist on the track, it is a risk to the mental health and wellbeing of our workforce.

The built-up areas on the north-west coast in particular, Devonport, Ulverstone and Burnie, continue to be hotspots for offending. Seventy per cent of all the incidents in the state occurred on the north-west coast. It is not without its explanation, given that is a major arterial for freight/rail traversing through populated communities on the north-west coast, but it is still of concern to us. One level crossing collision occurred in the reporting period when a truck contacted the side of a coal train on the Fingal line. That incident was reported to the national regulator as further required protocol.

The TasRail signalling asset manager has recently joined the National Rail Level Crossing Safety committee to ensure that TasRail expressed the latest technologies and initiatives relating to level crossing safety and improvements. The business has recently completed strategy for level crossing safety and has a committee that meets monthly to review level crossing data initiatives and emerging issues.

Level crossing safety is a current national focus for the national regulator, the Office of National Rail Safety Regulator (ONRSR). In May this year, the ONRSR accreditation audit focused on elements of rail safety national law that are linked to level crossing safety and are applicable right around the country.

The TasRail results from this audit were very favourable but we have to continue to drive the message home because we could very easily have a fatality, which is entirely avoidable on the rail network. Stephen, did you have anything to add to that?

Mr DIETRICH - Thanks, Deputy Premier. That is a very comprehensive update on our level crossing program. Level crossings, road safety, track safety awareness are everyone's responsibility. We try to promote that, and to educate the public and get into the schools. The Deputy Premier mentioned our partnership with the Railton Junior Fire Brigade. It is one of the hotspots of the state for us and obviously, we also have a lot of rail traffic in that area.

Just following road rules and respecting the trains - you do not realise how traumatic that can be for a driver. I have sat in those trains with the drivers and you are just looking ahead, watching the private crossings, and watching the cars approaching the level crossings, just

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going, 'Please stop, please stop', because we cannot stop, we cannot control it. We are relying on third parties to do the right thing and it is actually quite unnerving.

We have just finished a program of level crossing upgrades, thank you to the state and federal government through the road safety program. In our next round of IRP funding - we are delivering it in tranche 3 - but tranche 4, we will have a series of further level crossing upgrades looking to change passive to active, and even some of our active ones moving to what we call GCP 5000s, which is much more technology.

CHAIR - Can you tell us which level crossings are being upgraded.

Mr DIETRICH - I might ask for the brief on that one but I know there were Morse St in Devonport and Wilmores Lane in Longford to give you two. The main road into Longford, I went there and facilitated that with the contractors and poured some glue.

CHAIR - Some glue?

Mr CANTWELL - We glue the rails in.

CHAIR - Oh yes.

Mr DIETRICH - Glue the rails into the track. The key strategic areas where we are seeing high incidents of level crossing near misses.

CHAIR - That is vehicles, I assume. Let's talk about the livestock issue. Livestock do not cross at crossings, but the incursions onto the rail corridor -

Mr DIETRICH - Again, that is quite traumatic for our drivers. We are seeing increased incidents of livestock in the corridor and weather patterns. We have a fairly strong relationship with the TFGA and promote through their newsletters for farmers to maintain their fencing. We have 1500km of neighbours, that is a lot of people we need to deal with and a lot of fencing. We try to encourage all our neighbours to keep their fences in good order.

CHAIR - The state is one of your neighbours.

Mr DIETRICH - Yes, but it is mainly the farmers in terms of the livestock, of course. It is mainly sheep that come wandering into the corridor. We had a significant issue a couple of years ago, where quite a few dairy cows got into the network. However, we continue to educate, we continue to encourage the farmers to maintain their fencing. We are getting a better database of all the farmers, their names, their phone numbers so we can make a phone call. Do not forget this is all happening at 11p.m. through to 4a.m., and the stock roaming around at night can be quite difficult.

CHAIR - It is like the black Angus cattle you cannot see at night, just ask a road user.

Mr DIETRICH - To help with that process, we have engaged 24 hour veterinary clinics. When there is an incident and to assist the driver, if a qualified professional person who can do whatever is necessary can be called upon - if we cannot get hold of the farm owner - we put that back up in place from a safety perspective to support our train drivers when such incidents do happen.

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CHAIR - What do they do with the animal? Do they put them down or do they tranquilise them so they can move them? What do they do?

Mr DIETRICH - It depends on the situation, but depending on the circumstances of the beast at the time, they will make that decision and that is why we have employed them.

CHAIR - You have the list of crossings there?

Mr DIETRICH - Wilmores Lane as I mentioned, sewerage works road in Burnie, Moore Street, just to name three.

CHAIR - Sewerage works road?

Mr DIETRICH - Yeah, that is out at Burnie.

CHAIR - Must be in the member for Montgomery's electorate.

Mr DIETRICH - They are being converted to active level crossings. It was interesting, when I was out at Wilmores Lane, watching the level crossings being inserted, big stop signs. Out of probably 25 vehicles that went through, only one stopped. When we waved a particular driver down and spoke, and they said, 'Oh, we didn't think we'd have to stop because we saw you guys there with your PPE gear on'. So, that's just interesting.

CHAIR - You're going to stop the train, by stepping in front of it? Great.

Mr DIETRICH - Interesting, the behaviour. Also, through the recent floods, we had to put security personnel on areas of the network because people were using - where roads were blocked at Spreyton and Devonport - they were driving up onto the track to avoid the detours to just save a minute, and driving along the track and then going off at another point. We had to employ security to stop people coming onto the track and driving. On the Deloraine Bridge, when the western line was unavailable for a little period of time, we had a lot of trespass on there, everyone watching the floodwaters. The floodwaters were right up to the platforms of the rail bridge, and there was even someone standing on the outside.

Trespass and track safety awareness are just an ongoing campaign that we need to keep doing. As the Deputy Premier mentioned, we get on the radio, we talk to the community, and particularly with the Christmas trains coming up, we want to really promote Christmas. Again, that is our real message of mental health to the community and supporting Christmas but we have to be conscious of encouraging people closer to the network as well. Trains and people do not mix, full stop.

Ms LOVELL - I had a follow-up question on the level crossing strategy that the minister mentioned, and whether that strategy addresses the issue at Western Junction with that level crossing being blocked quite regularly, I understand? Not so much perhaps a safety issue in terms of crashes, but certainly drivers are reporting that they are copping some pretty significant frustration from people who are having access blocked for significant periods of time while shunting is taking place at Western Junction. Is there anything in the level crossing strategy to address that?

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Mr DIETRICH - That is probably more going to be part of our infrastructure investment program. That is a private crossing. To give some context, there have been four incidents logged in the system over the course of the last financial year for that particular crossing. I will be honest, it is growing pains for TasRail. We do need to be conscious that the business is getting bigger: bigger trains, heavier trains, faster trains, and more of them. As part of the -

Ms LOVELL - That is not a bad problem to have, necessarily.

Mr DIETRICH - You are absolutely right, Ms Lovell. That is a recognition of industry, looking towards us as we have built the dependability and reliability back into the network. That particular crossing, yes, it is on our radar. It is a complex one. We understand the concerns and the frustration. It is only for a period of night between, let us say, midnight and 2 a.m. We think this individual may be a nightshift worker. Whatever the case, it does not matter. But we are conscious of it.

We are looking at alternatives, but that is where our infrastructure investment program. When the trains are operating through that area, they are effectively shunting. They are always moving so it could block the crossing for up to 15 to 20 minutes. I could understand that level of frustration when you want to get home.

Ms LOVELL - At 1 a.m. after a night shift, maybe.

Mr DIETRICH - Yes, at 1 a.m.

Mr CANTWELL - If I can just add, it really is an issue confined to one resident, who lives in a legacy household and, just to add to the CEO's comment, we have provided that person with direct contacts to the network control centre so that if they are wanting to get access to their property, and we do happen to be blocked, they can call on a mobile phone, and the network controller can contact the train immediately. We can make arrangements to part the train or to clear the way where those shunting operations might take half an hour normally. If the person makes the call, the arrangements can be made to clear the way in five or 10 minutes.

Ms LOVELL - Okay, thank you.

Mr DIETRICH - If I could just add, while I think of it too, tranche 4 is certainly about renewal programs, continuing with our productivity improvements. There is pressure regarding climate change, and climate-proofing the network. However, we are also looking at the scale of the business and where we need to increase loops, where we have to focus on reducing level crossings where we can, particularly private ones for safety.

With that growth in the business, we will need to consider how we manage interfaces with the community and increasing passing loops. There is a fair demand on that funding, but we will spend it wisely and consider those types of issues that are arising as the business is getting bigger.

Mr GAFFNEY - Following on from Nick's question about the 44 incidents, were there any convictions or any penalties imposed in relation to those incidents? Was anybody caught and fined or mediated? I was wondering, do you do that?

Mr DIETRICH - Absolutely, our locomotives have video footage. If we capture the registration we immediately pass that on to the relevant authorities, being the police. There have been numerous fines and penalties applied to individuals who are clearly visible and we have the registration. If our video footage does not pick up the registration and the driver does, our drivers are prepared to sign a statutory declaration and the police take matters forward.

In this financial year, not in the reporting financial year that the council was looking at, we had another level crossing incident where a car struck the train, the train clipped it and the driver took off. That driver was located later and charged accordingly.

Mr GAFFNEY - Thank you. One of the things that I have not heard as much of recently - it might be because I am not the mayor of Latrobe anymore - one of the things that used to come up a lot was about the weed corridors on railways. I am not sure whether there is a strategy that has improved that situation or I just do not hear about it as much.

Mr DIETRICH - Vegetation management, sensitive area listings, protected species have become a real focus for us at TasRail. It was always a focus but we have now developed technology, we have implemented a system called FULCRUM, which effectively captures all the key points around the network involving protected species so we can, through GPS points, advise our contractors and maintenance crews out on the network. It also identifies areas of weeds and manages those accordingly.

We have also further increased the budget for vegetation management. It is increasing, there is no doubt about it. We have two professional people now who are qualified in this space. We did not have those probably three or four years ago. They have really moved us into a different space, including line of sight and certainly regarding tree management, dangerous trees, vegetation control. We are part of the Weed Action Fund.

We interface with many organisations such as TasNetworks, TasWater, Hydro, in relation to how they are managing their networks. This FULCRUM system is giving full visibility of the network on many levels for vegetation and corridor management. It is an ever-increasing task. One area which is not a revenue generating sector for our business is the non-operational lines. We are getting a lot more inquiries about managing vegetation with the recent weather and the rain. The growth is just unbelievable at the moment. We have good plans in place where we are much more strategic targeting our weed spraying that gives best value for money. When we spray at a certain time of year, that manages the weeds for longer.

Mr GAFFNEY - Has that received positive feedback? Or better feedback?

Mr DIETRICH - Absolutely, from our train driver community and track workers and from the community, but we still get quite a few requests for vegetation management throughout the corridor. We see that rise, particularly, as we come towards summer with long grass and the potential for snakes and that type of thing, people become more concerned. It is like mowing your lawn, in two weeks time you have got to do it again.

Mr GAFFNEY - My final question is regarding something I am interested in. On page 31, I noticed under (g):

There was one disclosed matter that TasRail decided not to investigate during the year.

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I am not sure whether it the wording of it, but it sounds a bit funny to me. I looked at it and thought, you had done an assessment and decided it was not warranted to investigate further.

CHAIR - It was in the public interest disclosure.

Mr DIETRICH - We assessed it and with the Ombudsman determined that it was not a public interest disclosure, but it remains a protected action. The confidentiality stays there.

CHAIR - If I could go to the freight table above rail. Looking at your customers - coal, cement, mineral concentrates, logs, general, intermodal and paper. Looking at the mineral concentrates - obviously, a great interest of mine in my electorate and your most profitable line - we know that Venture Minerals is looking to get going again. They originally did strike an arrangement, before your time, to use rail. Wagons were bought to assist them in that task. Since then, there's been a lot of water go under the bridge, and now they've made a decision to cart by road.

Can you outline whether that is still negotiable, and whether TasRail can assist them - because it's quite a number of truck movements per day that will put onto the Ridgley Highway?

Mr DIETRICH - I'm happy to take that. It's a very good question, Ms Forrest, and I'm very happy to give you some points around Venture. Certainly, from a commercial perspective, when they were looking at ongoing operations - and one of the things with rail is it's long term and the investment is for long term - we did have some commercial arrangements with Venture, we're probably going back almost ten years ago, eight years ago.

We don't have a contract with Venture, presently. The decision for them to undertake the method of operation earlier this year - we were certainly engaging with them and we provided options around how that could be - not so much on rail but probably still coming on road because the volumes were very low and they couldn't give a firm answer about ongoing volumes. It's quite expensive to set up a rail operation including sidings, reinstating those wagons. In the month in advance we have to get train drivers on the books and really set up a big operation, and they couldn't give us a commitment about ongoing operations. We asked for a small capital investment, which was effectively putting a RazerTail off the Burnie Port, directly into the Bulk Minerals Export Facility, where we could then deliver the product to the facility and then bring it into our campaign bays and then shipload it; but they chose to use an alternative arrangement. We were looking for a commitment, and a commitment in time frame, and they didn't appear to want to accept that.

CHAIR - The market's been a bit unkind to Venture. They had one shipment to the wharf and they effectively lost millions of dollars in value while it was loaded, because of the crash in the prices. With New Century looking to reopen Copper Mines Tasmania, the Mount Lyell mine?

Mr DIETRICH - That's very exciting. We have a contract in suspension with Copper Mines Tasmania (CMT). We're in dialogue with New Century. I get email updates from the company themselves and we're certainly undertaking investigation. At the moment, the track

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goes to Roseberry servicing MMG, and then there are about another 22 kilometres of track to the Melba Flats, which is where we would then service CMT.

We're also in discussions with Avebury. I notice Avebury has their open day today -

CHAIR - Yes, and sadly, I couldn't go.

Mr DIETRICH - Neither could I; but we have TasRail representatives there. So, both CMT and Avebury are on our business development pipeline as opportunities for the future on the Melba line as well. We're quite excited about where that may move towards.

CHAIR - How much of an upgrade will the line between Roseberry and Melba Flats require to take that?

Mr DIETRICH - It requires some re-culverts, it requires some reinstatement of level crossings and some renewal of track. We're currently getting those estimates and that's part of our IRP program that certainly can be applied to rectifying that line to open up -

CHAIR - Can tranche 4 funding be used for something like that?

Mr DIETRICH - Yes, absolutely. That's part of the funding instrument, to enable industry and enable new customers. We'll certainly look at that, but it would be in the magnitude of millions of dollars.

CHAIR - I accept that.

Mr DIETRICH - If CMT open and Avebury, we're talking five, ten-year -

CHAIR - Well, Avebury's open.

Mr DIETRICH - Yes, and they convert their volumes once they get up and running, they're talking 50 000 to 60 000 tonnes per annum. CMT - 50 000 to 60 000 tonnes per annum. Suddenly you've got 120 000; we connect that up to MMG, 200 000 and we're in discussions with a memorandum of understanding with Tas Mines about converting their volumes from road to rail, which would potentially bring immediately another 250 000 tonnes onto the network and being directly delivered into the Bulk Mineral Export Facility at Burnie.

CHAIR - Avebury just ordered an electric jumbo. That leads to the ship loading operations, and I know that TMEC has a very close and effective working relationship with TasRail about this, and they made that point to us. Can you update us a bit more on the work that has been done at the Burnie Port?

Mr DIETRICH - Absolutely. As you are aware, between the Australian and Tasmanian governments, we've received funding and we're doing a \$64 million project to replace the existing shiploader off berth 5 at the Burnie Port. That shiploader has been in existence since 1968 - it's a 54-year-old asset now - and we're also going to be expanding the Bulk Minerals Export Facility. Currently, the Bulk Minerals Export Facility can hold about 130 000 tonnes. With the expansion, we'll probably move towards 145 000-150 000 tonnes.

We're well-progressed. It was a fairly difficult time through COVID-19, tendering for this particular shiploader, but I am extremely pleased to say a Tasmanian company won the shiploading manufacture contract, which is COVA Haywards. Fabrication is well progressed out at the Hayward's facility at Western Junction and their subsidiary support companies. The project is on schedule to be delivered with a replacement shiploader mid-next year - July 2023. I'm pleased to say in their recent Australian and Tasmanian government budget announcements, we were the beneficiary of another \$18 million to build what we'll call an additional Melba Line hub facility - potentially at Hampshire - which will be like an inland port. To preserve the space on the port, we'll be able to run campaign cargo out of that particular facility.

CHAIR - Maybe, near the woodchip mill?

Mr DIETRICH - Near the woodchip mill and Tasmania Mines Pty Ltd, and that will provide opportunities businesses in that region. That way, we can optimise the use of the Bulk Minerals Export Facility (BMEF) which is on the footprint of the port. We understand land on the port is precious but we'll be able to then, if a customer says to us we have a ship in two weeks time and we need 30 000 tonnes to load that ship, we can then manage it and stage it and make sure 30 000 tonnes ends up in the BMEF. That might be by campaign trains that run 24 hours a day, seven days a week, coming out of the new facility up the line. So, it really creates that seamless integrated supply chain, so that we can then manage both storage and shiploading activities for these customers and others.

CHAIR - Will that increase the freight cost, or is all one freight task?

Mr DIETRICH - It's all one freight task. Potentially, it could take cost out because we're converting; we're moving in bulk loads. Again, there's a lot of road traffic in that area from Burnie through to Ridgley and beyond but it also supports the road users because we will have the expanded facility to still accommodate those mines that are a bit closer if the rail doesn't work; for example, Bass Metals; Hellyer; Shree, if they get their approvals up; we can support those companies as well through the shiploader facility.

CHAIR - There's also Stellar Resources in Zeehan, they made a positive announcement just recently.

Mr DIETRICH - We are doing Intec Zeehan at the moment, which is reprocessing the slag heaps there. That benefits both the environment and reprocessing and extraction of the mineral concentrate out of that.

Mr FERGUSON - To add to that - that is a very significant question and answer that's just occurred. The shiploader is a game-changer, Chair, in your own electorate, but particularly for the west coast and the economic success of the state in the mineral sector. Its future really will pivot on this infrastructure upgrade. It's better than 80 per cent - it's 100 per cent funded by the Federal Government through an agreement that took place in May 2009 with the then deputy prime minister, Michael McCormack, who made that commitment.

It was very welcome at the time to know that it's on-track. It's employing something like 140 people on that design and construct project right now, so very significant. As the CEO has indicated, an expansion to the Bulk Mineral Export Facility, together with the shiploader capacity, will be able to load at about double the rate that the old one can.

Also, drawing in for the benefit of the community, you will really want to know that the three projects that I've mentioned earlier in our session which are 80 per cent Australian Government and 20 per cent state government; the Melba Line at \$18 million is one of those; the other is tranche 4 of rail, which is, of course, statewide; and the third, that hasn't had a mention yet but which will be of particular interest to the committee - especially to Mr Duigan - is the Bell Bay Line reconnection. That is one that I am very committed to as well, to see the rail line run back into the port, dealing with some redundant infrastructure that's been defeated by some geology. To see rail getting right down to the berth at the port will be a game changer for Bell Bay.

CHAIR - Thanks, minister. Ms Lovell?

Ms LOVELL - Thanks, Chair. Four years ago, there was an incident at Railton with a cement train getting away. I understand that ATSB has very recently released the report of their investigation into that incident. I also understand that TasRail conducted its own internal investigation as well, that hasn't been made public. Were the findings of the ATSB report consistent with your own findings and will you be also making your report public?

Mr CANTWELL - Thanks, Ms Lovell. The answer to the first part of your question is yes, the essence of the contents of the internal TasRail report was made available to the ATSB. We fully cooperated with the ATSB, which naturally we always do in these sorts of circumstances. Anything that was contained in that report was reflected in the ATSB recommendations.

In relation to the report itself, the answer to that part of your question, is no, we have not contemplated making that available publicly, or sharing that report. It was commissioned and completed immediately on the shoulder of the event. At the time the advice to us was that it is best in the interests of TasRail, the protection of TasRail employees involved and who may be enjoined in subsequent legal action if the former legal professional privilege be taken in relation to that report.

In addition, the legal and professional privilege was sought to preserve and protect TasRail's commercial interest in the circumstance where subsequent legal action might need to be taken in relation against the supplier of the equipment, the remote-control equipment. We do not have a plan to make that information or that report publicly available at this stage. What we would say to the committee is that while we would not object to making information available, we would look to time that subsequent to us forming conclusions about the value of the legal professional privilege that is associated with that, both from the perspective of protection of our employees and protection of TasRail's commercial interests.

Ms LOVELL - I have one last question if I have time?

CHAIR - Yes, sure.

Ms LOVELL - In relation to an investigation into the TQAY wagon fleet, where there was a technical runaway incident in Colebrook, what were the results of that investigation into the brakes of that fleet?

Mr CANTWELL - I suspect that is the brake - the ELX valves on the 160TQAY - 164 wagons in that fleet. This is a circumstance where the culture that has been fostered in TasRail where we invite any member of staff to report any issue to us. If it is the issue I think you are referring to, one of drivers noted during a training exercise the effectiveness of the brakes was sub-optimal on those wagons.

In response to that report from the train driver, there was an immediate investigation and assessment of the operation and the efficacy of the brakes on wagons. Of the entire 164 wagons we found that 23 per cent of the wagons were operating at about 44 per cent of their braking efficiency. All of those valves were replaced on all 164 of the wagons. We also altered our maintenance regime in relation to those wagons, where the original equipment manufacturer had recommended a change out of those valves every 12 years. We have halved that and have made the decision those valves will be changed out every six years. In addition to that, our maintenance review regime now incorporates a very specific check of the efficacy of those valves when those wagons come in to the shops for their routine servicing.

We are most grateful, as an organisation, that that driver chose to make that circumstance available to us. For us, it was an affirmation of the notion if you communicate well with your people, you listen to them and you demonstrate you care about them and the information they give, you get dividends and it translates into 98.9 per cent on time arrival and low derailments.

Yes, there was an issue with those wagons; it was called to the attention of the management of the organisation by an employee in the field. We responded and fixed the issue very quickly.

Ms LOVELL - Thank you very much.

CHAIR - I think we are out of time but thank you very much, minister, for your appearance before the committee and to your team at the table. I do not know if you want to make a quick closing comment?

Mr FERGUSON - I want to say thank you to the committee but especially to representatives at TasRail. As I close, I want to commend them for the work they have been doing. If I can remind the committee, that only just over one month ago the state got smashed with some very significant rainfall, it was as bad as six years earlier.

Six years earlier we saw the western line cut for six weeks. This time it was cut for only 11 days which demonstrates two things: the very good value of building a network resilience with that revitalisation fund. It is actually working and leading to infrastructure which is tougher and more resilient. Secondly, the teams that got our on the ground and resurrected the infrastructure and got services back up and running are a great credit to our state and I wanted to publicly acknowledge them at this hearing today.

The committee suspended at 3.03 p.m.